U2030-1

HARVARD

RRC NEWSLETTER

RUSSIAN RESEARCH CENTER

Volume XI, No. 1 November 1, 1986

INDUSTRIAL PRODUCTION FIGURES

Product	Prod. in 1st 9 mo of 1986	1st 9 Mo. 86 as % of same of 85
Elect. (b.kw.hrs)	1167	104%
Petroleum (inc. gas cond.)(mil. metric tons)	458	103
Nat. Gas (b.cu.mtr)	503	107
Coal (mil. metric tons)	562	104
Steel (mil. met. tons)	120	105
Fertilizer (mil.tons)	25.8	106
Metal-cutting tools (mil. rubles)	2175	110
Robots (in 1000s)	11.1	120
Computer Technology (bil. rubles)	3.5	115
Tractors (mil. hp)	40.9	104
Paper (mil. metric tons)	4.6	104
Cement (mil. metric tons)	101	104
Meat(mil. metric tons)	8.4	107
Margarine (mil. tons)	1.0	104
Watches (mils)	52.3	104
Radios (mils)	6.7	104
TV sets (mils)	7.1	103
Automobiles (1000s)	991	99.9

LIVESTOCK

(in million tons)

	Prod. as of 10/01/85	Prod. as of 10/01/86
Cattle	95.4	96.5
Hogs	60.3	63.1
Sheep & Goats	121.0	124.0
Chickens	777.1	776.2

SOVIETS PUBLISH OFFICIAL HARVEST FIGURES FOR 1981 - 1985

As the harvest problem became more serious, the Soviets stopped publishing grain harvest figures in 1981. They have now released the figures for 1981-1985. It is now understandable why they stopped publica- tion. The harvest in 1981 fell to 158 million tons, from 189 in 1980. That was almost 40% below the plan. The harvest has improved subsequently, but production barely exceeded that which was obtained in 1980 and, again, remained as much as 20% below the target.

There is another newsworthy element about the Soviet curtailment of reporting their figures. The U.S. Department of Agriculture has tried to estimate what they thought the Soviet harvest figures were. In the year by year totals given below, you can compare what the Department of Agriculture estimated and what the figures now released show. Except for 1982 when the Department of Agriculture was off by 7 million tons, they usually were within 2 million of what actually was harvested. That's a remarkable acomplishment and testifies to the abilities of those who work for the Department of Agriculture on the Soviet economy.

Year	Official Sov Stats	U.S. Dept of Ag est
1981	158	160
1982	187	180
1983	192	190
1984	173	170
1985	192	190

BALANCE OF TRADE FOR THE FIRST HALF OF 1986

The impact of the drop in oil prices has significantly affected Soviet export figures. Exports for the first half of the year are down by approximately 1.6 billion rubles from the first half of 1985. In turn, 1985 exports were down from the 1984 level. Because of the fall in the price of oil, Soviet export earnings for the first half of 1986 are down approximately 3.5 billion rubles. As the Soviets usually do in these cases, they have tightened their belts. Thus the imports from Western Europe and Japan are down by about .5 billion rubles. The drop in imports is not as large as was the drop in exports and consequently, the trade balance with Western Europe and Japan has become negative, whereas the trade surplus was as high as 2.6 billion rubles in 1984. However, the Soviets have compensated to some extent by reducing grain imports from the United States, Canada, and Argentina. Overall imports from the United States for the first half of 1986 are less than half of what they were the preceding period. Similarly, Canadian imports are down by almost as much and imports from Argentina are less than 20% of what they were the preceding year. This presumably suggests the Soviets expect an improved grain harvest in 1986 although the reports about that as yet are mixed.

Soviet trade figures also reveal some interesting changes in Soviet relations with the OPEC nations in the Arab world. Soviet imports from Saudia Arabia dropped sharply. For the most part those petroleum imports never went to the Soviet Union anyway, but whereas in 1985 the Soviets recorded approximately 175 million rubles worth of petroleum imports which was rerouted to Eastern Europe and Western Europe, in the first half of 1986, that level had falled to a meager 5 million rubles worth. In addition, imports from Iran, most of which were petroleum, also dropped in the first half of 1985, as did imports from Algeria. Only in the case of Libya, where the ruble value of imports about the same which probably meant an increase in actual tons of petroleum shipped to the Soviet Union.

INDUSTRIAL PRODUCTION FOR THE FIRST NINE MONTHS OF 1986

There seems to be nothing dramatic in the new production figures for the first three quarters of 1986. Overall production continues to increase. In particular, petroleum production for the month

of September 1986 compared to September 1985 was up over 4%. The figure for the whole nine months comes to 3%. Electricity generation increased 3.4% in September 1986 over September 1985 and for the whole nine month period is up 3.7%. There have been some interesting articles about the need to conserve electricity in the aftermath of the Chernobyl accident. However, electrical generation continues to increase at a respectable rate. Coal production increased in September by over 3% and for the whole nine months by 4%.

Probably one of the most interesting developments is the gradual decline in the increase in natural gas production. September 1986 production was up only 5.6% compared to September 1985. For the whole nine months, natural gas production rose by 7%. That's in contrast to the 10% that it increased in the first nine months of 1985 over 1984. This suggests that there may be a gradual slowdown.

The other item of note is that automobile production fell slightly for the nine month period and also it is intriguing to note that retail sales of automobiles fell by 5% for the whole nine month period.

The livestock herd is much the same as it was in last months report. The number of cows has diminished as has the number of chickens. All the other major categories of livestock have increased. The number of pigs is up almost 5%.

CURRENCY FIGURES

Rubles Purchased Per 100	Sept 1986	Oct 1986
Austrian shilling	4.70	4.83
UK pound	101.36	96.06
FRG mark	33.09	33.97
US dollar	68.03	67.27
French franc	10.09	10.39
Japanese yen	.437	.436
Italian lira	.0479	.0491
Swiss franc	40.61	41.49

CONFERENCE FOR JOURNALISTS

There is still time to sign up for the Journalists Conference. Nick Daniloff and Maria Casby will talk about life as a foreign journalist inside the Soviet Union. You will also have a chance to look more intensively at life under Gorbachev.

The Russian Research Center will hold its fourth conference for journalists on November 10, 1986 (Monday), at the Harvard Faculty Club, 20 Quincy Street in Cambridge. Call Catherine Reed at (617) 495-4037 if you would like to participate.

CONFERENCE ON SOVIET SDI PROGRAM

The Russian Research Center will hold a conference which will examine what the Soviets have done to develop their Strategic Defense Initiative. With the help of Mark Kuchment, we've managed to identify several emigres who have worked on the development of some of the technologies. They will make their presentations along with American specialists who have studied what the Soviets are doing. As far as we know, this is one of the first such efforts to show not the American side, but the Soviet side. The conference will be held as usual at the Harvard Faculty Club, 20 Quincy Street in Cambridge. The date of the conference is December 1, 1986, so this will be the last announcement prior to the conference. The registration form and program are enclosed.

NOTICE

Please note on your calendars that the dates for the 1987 Arden House Conference have been changed to March 20-22, 1987.

==========

THE RUSSIAN RESEARCH CENTER takes no official stand on any economic or political trend. The views and analyses expressed in this Newsletter are those of the authors directly associated with the article, or unless otherwise stated, with those of the editors, Marshall I. Goldman and Catherine Reed. RRC @ 1986

==========

BALANCE OF TRADE - 1st HALF OF 1980, 1981, 1982, 1983, 1984, 1985 & 1986

(Million Rubles)

	EXPORTS FROM THE USSR							IMPORTS TO THE USSR						
	1980	1981	1982	1983	1984	1985	1986	1980	1981	1982	1983	1984	1985	1986
Austria	280	392	346	271	381	370	286	160	258	251	380	481	403	437
Belgium	401	249	530	501	577	384	280	176	268	329	305	271	298	253
Great Britain	320	349	416	502	691	549	591	516	631	354	369	395	392	301
Greece	187	350	275	173	224	238	102	44	71	78	93	64	69	33
Denmark	122	74	199	157	153	132	69	39	151	42	42	51	51	100
Spain	104	156	77	148	163	299	37	67	323	101	148	152	102	107
Italy	893	1066	1362	1446	1503	1019	757	429	498	592	793	679	659	726
Netherlands	567	430	715	895	727	402	290	178	344	217	314	132	158	126
Norway	27	28	37	30	50	56	29	39	58	34	53	46	39	46
Germany	1067	1207	2059	1614	2314	1864	1588	1603	1586	1525	1893	1726	1680	1547
France	930	1082	1168	1140	1238	990	751	937	922	727	973	907	1006	685
Switzerland	173	90	181	257	187	182	161	205	291	224	211	196	283	270
Sweden	142	93	159	293	293	235	142	132	207	207	145	132	177	148
Japan	471	407	390	388	409	456	471	907	1168	1532	1237	1036	1245	1293
SUBTOTAL	5693	5973	7914	7815	8910	7176	5554	5432	6733	6213	6956	6268	6562	5965
Sub-Balance of Trade								-261	-760	+1701	+859	+2642	+614	-411
U.S.A.	87	57	76	132	139	147	143	764	892	1672	878	1272	1764	845
Canada	15	28	14	19	9	8	6	321	489	554	651	388	408	266
Australia	3	8	6	3	6	11	5	441	381	411	278	312	402	410
New Zealand	1	2	3	1	3	2	2	115	96	166	108	31	51	63
Argentina	20	23	15	15	14	23	38	590	1060	840	798	727	769	126
Brazil	12	5	90	6	68	27	22	139	384	275	281	228	169	154
TOTAL	5831	6096	8118	7991	9149	7394	5770	7802	10035	10131	9550	9226	10125	7829
Balance of Trade								-1971	-3939	-2013	-1959	-77	-2731	-2059

SOVIET BALANCE OF TRADE WITH EASTERN EUROPE FOR THE FIRST HALF OF 1982 - 1986

(in million rubles)

	Exports from U.S.S.R.					Imports to U.S.S.R.				
	1982	1983	1984	1985	1986	1982	1983	1984	1985	1986
Bulgaria	2372	2880	3174	3156	3225	2259	2573	2823	2912	3011
Czechoslovakia	2460	2855	3346	3317	3368	2491	2766	2996	3246	3306
GDR	3093	3321	3583	3710	3826	2902	3228	3772	3821	3488
Hungary	1991	1961	2266	2207	2311	1793	1886	2042	2280	2349
Poland	2363	2595	2916	3089	3415	1880	2382	2594	2611	2750
Romania	660	849	952	889	1355	921	891	943	1083	1242
	12940	14461	16237	16368	17500	12246	13726	15170	15953	16146
	+694	+735	+1,067	+415	+1354					